GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

STARRED QUESTION NO:172
ANSWERED ON:29.11.2002
ECONOMIC GROWTH
RATTAN LAL KATARIA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the economists have stated that Indian economy would grow by4.8 per cent in 2002-03, much below the Government`s estimates;

(b) if so, the reasons given by the economists for the same and the growth-rate anticipated by the Government; and

(c) the steps being taken to improve the economic growth in the country so as to achieve the estimated growth of 5.5 per cent?

Answer

MINISTER OF FINANCE & COMPANY AFFAIRS (SHRI JASWANT SINGH)
(a), (b) & (c): A Statement is placed on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.172 FOR 29TH NOVEMBER, 2002.

(a) The National Council of Applied Economic Research (NCAER) in its monthly report `Macrotrack` for October 2002 has projectec the overall real Gross Domestic Product (GDP) growth for 2002-03 at 4.8 per cent comprising zerogrowth in agriculture, 5.9 per cent in industry and 6.8 per cent in services sector.

(b) The forecast of growth in real GDP made by the NCAER is based on a major deficiency in rainfall. The Reserve Bank of India in its Mid-term Review of Monetary and Credit Policy for 2002-03, released on October 29, 2002, hasindicated that the overall real Gross Domestic Product (GDP) growth for 2002-03 is likely to be in the range of 5.0 to 5.5 per cent as against its earlier projection of growth of 6.0 to 6.5 per cent. The growth targets under the Five Year Plan are not fixed annually. The Approach Paper to the Tenth Five Year Plan aims at an annual average growth rate of 8 per cent for the Tenth Five Year Plan period (2002-07).
(c) The Government is conscious of the need for higher economic growth. The Union Budget for 2002-03 adopted a six-pronged strategy, inter alia, emphasising continuation of agricultural and food economy reforms, enhancement of public and private investment in infrastructure, strengthening the financial sector and capital markets, deepening structural reforms and regenerating industrial growth. The various reform measures are expected to have a positive effect on the growth of the economy.